

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary    Public

**Date:** 6/12/2015

**GAIN Report Number:** GT-1506

## Guatemala

**Post:** Guatemala

**Organic Products Growth Potential in Guatemala**

**Report Categories:**

Product Brief

Market Development Reports

National Plan

Special Certification - Organic/Kosher/Halal

**Approved By:**

Lashonda V. McLeod, Regional Agricultural Attaché

**Prepared By:**

Edith Vasquez, Marketing Specialist

### **Report Highlights:**

Guatemala has great potential for exports of organic agricultural products to the United States, European Union, and Japan. According to the Ministry of Agriculture, Livestock and Food, in 2014 the total land dedicated to organic agriculture was of 94,000 hectares from which 14,000 hectares were organically cultivated. Although the Guatemalan organic products market is small, there are consumers looking for what they believe to be healthier and environmentally friendly products. Opportunities for U.S. organic products can be found mainly in the consumer-oriented products category, which saw a 16 percent growth in 2014 for a total of US\$359.1 million compared to the previous year.

**Executive Summary:**

In 1999, the Guatemalan Ministry of Agriculture, Livestock and Food (MAGA) released the Ministerial Decree 1173-99 to create the National Commission for Ecological Agriculture (Comisión Nacional para la Agricultura Ecológica – CNAE.) CNAE has developed synergies between different foreign institutions such as the Central American Agricultural Council, local government authorities and private certification agencies to promote and regulate organic and sustainable agriculture in Guatemala.

Guatemala has great potential for exports of organic agricultural products to the United States, European Union, and Japan. For imports of organic products into Guatemala, the United States has export opportunities at the consumer-oriented products level where there has been growth of approximately a 13 percent annual increase for the past five years. All imports and exports of organic products must be shipped with an organic certification extended by an approved certifying agency.

**Disclaimer: Official data about the organic food market is not publicly available; therefore the information in this report is based on information Post's market intelligence.**

**General Information**

**Market Size and Consumption:**

Local organic crops are mainly produced for the export market as these products are still unknown to the local consumers who purchase most of the produce products at the open-air markets where these products are not marketed/labelled as such.

In the past three years, there has been an interest from local organic producers to supply the domestic market, particularly, to service the larger supermarket chains such as Wal-Mart, Pricesmart, and La Torre. These large supermarket stores also import and distribute some imported organic products, which are mainly processed products such as cookies, sauces, juices, cereals, etc.

Although the Guatemalan organic products market is small, there are consumers looking for healthier and environmentally friendly products. These consumers are mostly foreign residents, buyers who want to follow a strict diet and Guatemalans who have lived in developed countries where organic products are widely marketed. In general, organic products are considerably more expensive than non-organic products, but these products are perceived by consumers as healthier. Although Guatemalans are price sensitive, for the organic buyers, price is not an issue when making purchasing decisions.

It is estimated that around 90 percent of organic products are sold and distributed through specialized stores. The main supermarkets are now offering organic products on their store shelves. Presently the specialized organic stores: Organica (5 stores) and Fresko (1 store) sell organic fresh and processed products.

Natura Foods Market is an on-line supplier of organic foods. Caoba Farms also offers organic fresh produce that is sold during farmers' market day at their farm in Antigua, Guatemala.

Opportunities for U.S. organic products can be found mainly in the consumer-oriented products category which saw a 16 percent growth in 2014 for a total of US\$359.1 million compared to the previous year.

Products such as: processed fruits and vegetables, juices, energy drinks, cooking oils, dairy, tree nuts, snacks, breakfast cereals, condiments & sauces, confectionary products, and sweeteners, are some of the processed products that are demanded in the Guatemalan market.



Photo by Fresko Guatemala



Photo by Fresko Guatemala

Imports of fresh fruits from the United States reached US\$25.3 million in 2014. This could represent a great opportunity for organic apples, grapes, pears, stone fruits and dried fruits. The Ministry of Agriculture, however, has very strict measures regarding pest controls and Guatemala fumigates most containers of U.S. bulk commodities and fresh fruits.



Photo by Fresko Guatemala



Photos by Ministry of Agriculture, Livestock and Food

### Local Production and Area:

According to the numbers provided by MAGA's Organic Agriculture Division (DAO), in 2014 the total land dedicated to organic agriculture was of 94,000 hectares from which 14,000 hectares were organically cultivated; this is just 1 percent of the total agricultural lands cultivated in the country. The total number of organic producers is estimated around 6,346 farmers. Organic production is concentrated in the departments of Quiché, Huehuetenango, Solola, San Marcos, Chimaltenango, Alta Verapaz, and Guatemala. Farmers certified as organic producers eligible for exports are 146, from which only 75 are registered with MAGA. Producers are subject to annual inspections from local or international certifying agencies.

Mayacert is a local firm that provides certification services for small, medium and large farmers, processors and exporters of food. The company has operations in the southern region of Mexico, Central America, and Colombia. Mayacert has international accreditation of organic certification procedures which includes: National Organic Program (NOP)-USDA United States; Mayacert Ecological Norm for the European Union equivalence and Japanese Agricultural Standard of Organic Products (JAS) through cooperative partnerships with BCS-OKO (Private controlling agency for EU Regulation on organic production) and the Certification for Environmental Standards (CERES). There are other international certification agencies that operate in Guatemala such as: BSC-OKO, Control Union, Biolatina and Institute for Marketecology-Control (IMO).

The main organic crops cultivated are: coffee (6,115 metric tons (MT)), cardamom (990 MT), macadamia nuts (700 MT), sesame seed (4,200 MT), honey (540 MT), dehydrated lemons (16 MT), black tea (154 MT), bananas (298 MT), and other products which includes cacao, processed products, and sugar (azúcar integral).



Following is the list of certified organic exporting companies under NOP/USDA certification:

<b>Certifying Agent</b>	<b>Operation Name</b>	<b>City</b>	<b>Products_Produced</b>
BCS Ã–ko-Garantie GmbH	Unicafé S.A. / Counisa / Servicios Unidos de	Guatemala	Green coffee beans, var. Oro, Parchment coffee , Parchment coffee , Green coffee beans, var. Oro,
BCS Ã–ko-Garantie GmbH	Unicafé S.A. / Counisa / Servicios Unidos de	Guatemala	Green coffee beans, var. Oro, Parchment coffee , Parchment coffee , Green coffee beans, var. Oro,
BCS Ã–ko-Garantie GmbH	Coordinadora de Organizaciones de Desarrollo	Huehuetenango	Green coffee beans, var. Oro, Parchment coffee , Parchment coffee , Green coffee beans, var. Oro,
BCS Ã–ko-Garantie GmbH	Coop. Agrícola Cafetalera de	Nahualá Sololá	Green coffee beans, var. Oro, Coffee, toasted and ground, Green coffee beans, var. Oro,
BCS Ã–ko-Garantie GmbH	Guayabá Asociación Civil	Jacaltenango, Huehuetenango	Parchment coffee , Parchment coffee , Green coffee beans, var. Oro, Green coffee beans, var. Oro,
BCS Ã–ko-Garantie GmbH	Cooperativa Integral de Comercialización	El Quiché	Green coffee beans, var. Oro, Parchment coffee , Parchment coffee , Green coffee beans, var. Oro,
BCS Ã–ko-Garantie GmbH	Cooperativa Agrícola Integral La Voz	San Juan La Laguna, Sololá	Coffee, toasted and ground, Parchment coffee , Parchment coffee ,

BCS Ã–ko-Garantie GmbH	Federaci3n Comerc. de Caf3 Especial de Guatemala	Quetzaltenango	Parchment coffee , Lemons, Cocoa (Theobroma cacao), Bush beans, Coffee, toasted and ground, Lemons, Parchment coffee , Green coffee beans, var. Oro, Cocoa (Theobroma cacao), Bananas (Musa paradisiaca), Bananas (Musa paradisiaca),
BCS Ã–ko-Garantie GmbH	Importadora y Exportadora Agr3cola e Industrial	El Palmar, Quetzaltenango	Macadamia nuts in shells, Macadamia nuts in shells,
Bio Latina	Prosesamo S.A.	Cuyotenango	Sesame
Bio Latina	Cooperativa Integral Agricola San Francisco De Asis Responsabilidad Limitada Ciasfa.R.L	Zacapa	Coffee
Bioagricert	Finca Mundo Nuevo / Plantaciones El Tesoro, S. A.	Malacatan	Macadamia Nuts
EcoCert S.A.	FEDECOVERA, R.L.	Coban Alta Verapaz	Cardamom Essential Oil, Allspice -Pepper Essential Oil, Green coffee, Ramon nut powder and cut, Cardamom powder and cut, Allspice - Pepper powder and cut
IMOSwiss AG	ASOCIACION SOSTENIBLE DE CAFe DE GUATEMALA- ONG ASDECAFE- ONG	Huehuetenango	Coffee parchment
Mayacert S.A.	Tito Adan Jimnez Rodriguez	Guatemala City	coffee
Mayacert S.A.	Finca el Vergel	Santiago Atitl3n	coffee
Mayacert S.A.	ONASA; Beneficio Seco	Guatemala City	coffee
Mayacert S.A.	Cooperativa Integral Agr3cola	Nebaj	coffee

	Comunidades Unidas R.L.		
Mayacert S.A.	Cooperativa de ahorro y crédito Integral COATAN R.L.	San Pedro la Laguna	coffee
Mayacert S.A.	Beneficio El Trébol, Waelti Schoenfeld Exportadores de Café S.A.	El Quetzal	coffee
Mayacert S.A.	Organización Manejo y Conservación - OMYC-	Santa Cruz Barillas	coffee
Mayacert S.A.	PINARSA; Finca la Sola	Guatemala City	coffee
Mayacert S.A.	Alimentos Selectos	Flores	Ramon seed
Mayacert S.A.	ACODIHUE	El Quetzal	coffee
Mayacert S.A.	Manos Campesinas S.A.	Mixco	Macadamia Nuts
Mayacert S.A.	Cooperativa Integral Agrícola La Bendición	Playa Grande Ixcán	Cardamom
Mayacert S.A.	Asociación Civil de pequeños Caficultores "Manos Campesinas"	Huehuetenango	coffee
Mayacert S.A.	Dinamica International Crops, S.A.	Quetzaltenango	coffee
Mayacert S.A.	Finca Dulce Nombre	Quetzaltenango	coffee
Mayacert S.A.	Federación de Pueblos Mayas - FEDEPMA-	Santa Eulalia	coffee
Mayacert S.A.	CAFECO S.A.	Guatemala City	coffee
Mayacert S.A.	Finca Santa Isabel	Guatemala City	coffee
Mayacert S.A.	Inversiones Facas, S.A.	Guatemala City	coffee
Mayacert S.A.	Finca El Pintado	Guatemala City	coffee
Mayacert S.A.	Exportcafé S.A.	San Jos�� El Rodeo	coffee
Mayacert S.A.	Beneficio Seco FEDECOCAGUA R.L.	Guatemala City	coffee
Mayacert S.A.	Cooperativa Integral Agr��cola San Pablo R.L.	Antigua Guatemala	coffee
Mayacert S.A.	Cooperativa Integral Agr��cola Cocolense	Paliin	coffee

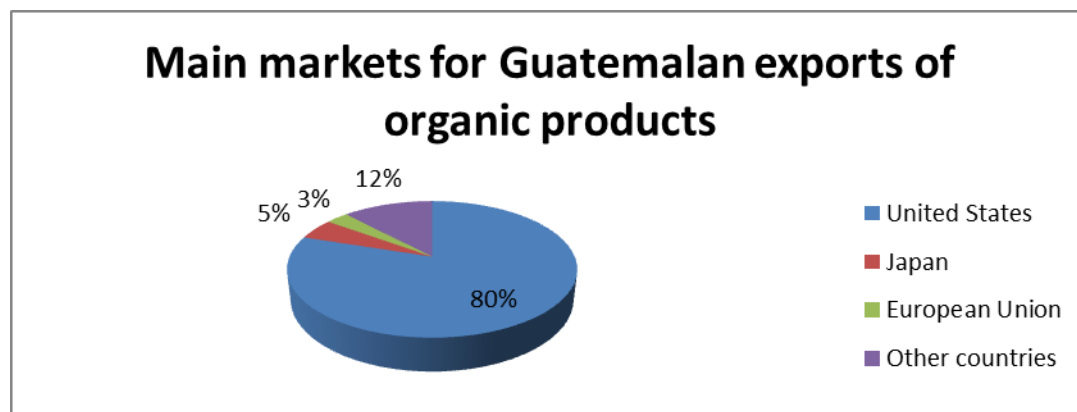


	R.L.		
Mayacert S.A.	Cooperativa Integral Agrícola Estrella Polar R.L.	San Pablo	coffee
Mayacert S.A.	Asociación de Pequeños Productores de Café la Liberación	San Marcos	coffee
Mayacert S.A.	EXTRACT S.A.	Coatan	coffee
Mayacert S.A.	Beneficio Valle de Eskol	Chajul	coffee
Mayacert S.A.	Cooperativa Integral de Comercialización Flor del Café Chel R.L.	Tajumulco	coffee
Mayacert S.A.	Cooperativa Integral Agrícola 21 de Octubre R.L.	Guatemala City	cardamom oil
Mayacert S.A.	Cooperativa Integral Agrícola Las Pilas R.L.	Chajul	coffee
Mayacert S.A.	Asociación de Desarrollo Integral Sostenible de Quetzaltepeque - ADISQUE-	San Pablo	coffee
Mayacert S.A.	Asociación Unidos Para Vivir Mejor "ASUVIM"	Santa MarÃa Nebaj	coffee
Mayacert S.A.	Chichinabaj	Quetzaltepeque	coffee
Mayacert S.A.	Cooperativa Agrícola y de Servicios Varios "Río Azul" R.L.	Santa Clara la Laguna	coffee
Mayacert S.A.	Agropecuaria El Tesoro	La Democracia	coffee
Mayacert S.A.	Cooperativa Integral Vértice del Norte R.L.	Jacaltenango	coffee
Mayacert S.A.	Cooperativa Integral Agrícola La Esperancita R.L.	Guatemala City	sugar cane
Mayacert S.A.	Dinamica International Crops, S.A.	Santa María Nebaj	coffee
Mayacert S.A.	Cooperativa Agrícola de Servicios Varios Chojzunil R.L.	Guatemala City	coffee
Mayacert S.A.	Asociación Integral de Productores Orgánicos del Ixcán	Guatemala City	coffee

	(ASIPOI)		
Mayacert S.A.	Café Internacional de Cobán S.A.	Santa Eulalia	coffee
Mayacert S.A.	Asociación San Dionisio para el Desarrollo Social Sostenible -ASDIS-	Coban	Cardamom
Mayacert S.A.	New Forest	San Pablo	coffee
Mayacert S.A.	Asociación de Productores Orgánicos para el Desarrollo Integral de Polochic - APODIP-	San Felipe	coffee
Mayacert S.A.	New Forest	Coban	Achiote (Bixa orellana)
Mayacert S.A.	Asociación Chajulense Va'l Vaq Quyl	Coban	coffee
Mayacert S.A.	Finca Santa Isabel	Coban	Cardamom
OCIA International, Inc.	Beneficio La Concha, S.A.	Ciudad de Guatemala	
OCIA International, Inc.	Finca Nueva Armenia	Municipio La Libertad	
OCIA International, Inc.	Beneficio Santa Isabel y Cia. Ltda. / CAMEC	Ciudad de Guatemala	
OCIA International, Inc.	SERTINSA/Beneficio Almolonga	Ciudad de Guatemala	Products: Coffee Brokering - Cafe Oro; Coffee Processing - Cafe Oro
OCIA International, Inc.	Exportadora Lux Café S.A.	Ciudad de Guatemala	Products: Coffee Brokering - Green Coffee-Cafe Oro
OCIA International, Inc.	Finca Bremen y Anexos	Ciudad Guatemala	Crops: Coffee
OCIA International, Inc.	Outspan Guatemala, S.A. / Beneficio Las Americas	Ciudad de Guatemala	Products: Coffee Brokering - Cafe Oro; Coffee Processing - Cafe Oro
OCIA International, Inc.	Outspan Guatemala, S.A. / Beneficio Cuchumatanes	Ciudad de Guatemala	
Quality Certification Services	Integracion Agricola e Inmobiliaria, S.A.	Guatemala City	Lemongrass

## Organic sugar?

The Guatemalan Sugar Association (AZASGUA) confirmed that presently there are no sugar mills exporting organic sugar. However, according to the list of certified USDA organic operations released on the National Organic Program (NOP) website <http://apps.ams.usda.gov/nop/>, there is one local cooperative under the name of Cooperativa Integral La Esperancita that is exporting sugar cane to the United States, trade data is not available.



## Future of organic agriculture in Guatemala

In 2002, under Governmental Decree No. 1317-2002 the Technical Manual for Organic Agriculture in Guatemala was created. In 2007, through the Ministerial Decree 652-2007 MAGA created the Organic Agriculture Division (DAO) under the Vice-Ministry of Food Safety and Regulations (VISAR) that together with the National Quality System (OGA) within the Ministry of Economy would become the Accreditation Organisms for Organic Agriculture in Guatemala. MAGA and OGA evaluate and certify the agencies that extend certifications to organic producers.

In 2013, CNAE presented a National Strategic Plan which provides an overview of the agricultural organic production in Guatemala for the next 10 years. However, there are still many constraints that need to be addressed to improve the organic and sustainable agriculture production in Guatemala, some of these constraints are:

- Limited offer of organic or sustainable agriculture seeds;
- Soils with a high grade of degradation and poor fertility
- Plants with a high risk of pests
- Poor surveillance of water quality for irrigation
- Minimum diversification of crops
- Poor planning and management of records for production activities
- Limited expertise on production practices

The National Strategy for the Development of Organic and Sustainable Agriculture Production is composed by four pillars:

- a) Development and market access;
- b) Improvement of productivity;
- c) The improvement of transformation processes;
- d) Strengthening of the institutional sector

It is estimated that by year 2023 the organic and sustainable agriculture production in Guatemala will be fully implemented and will be one of the most competitive production sectors in the country and one of the main components of the improvement of rural economy and social welfare. Farmers, traders, and consumers will be integrated to protect the environment with good agricultural practices. Organic and sustainable agriculture products will be commercialized locally, regionally and internationally. The National Strategic Plan can be found at: <http://visar.maga.gob.gt/visar/ea013.pdf>

The import requirements for organic products in Guatemala in general terms is the same that is applied to non-organic products with the only difference that organic imported products need to attach to the list of import documentation the organic import certification extended by an official certifying agency which in the case of the United States should be the NOP-USDA. For the list of import requirements please read the Food Agricultural Regulations and Standards Report (FAIRS) at: [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative\\_Guatemala%20City\\_Guatemala\\_12-29-2014.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Guatemala%20City_Guatemala_12-29-2014.pdf)

### **Trade:**

A few years ago Guatemala started the accreditation process as a third country for organic products to the European Union; however, due to some non-compliances identified, this process has been delayed. Some of these constraints are as follows:

- Equivalence to the National Organic Program (NOP) for Guatemalan exports of organic products to the United States.
- Support to establish a quality assurance system International Organization for Standardization (ISO) for the Guatemalan Division of Organic Agriculture.
- Training programs on certification, inspection, and residue analysis.
- Establish specific national policies and laws that support the organic producers
- Support for the accreditation of a National Laboratory for residue analysis for organic agriculture.

The United States continues to be Guatemala's largest trading partner, accounting for 39 percent of its total imports and exporting 41 percent of its total exports. However, for organic products trade data is hard to have an official estimate due to the lack of a specific HS code for organic agriculture. Therefore, all the trade data available for organic imports/exports in Guatemala are not specified and are accounted under the general HS codes for the different products.

### **Market Development:**

Trades missions, reverse trade missions sponsored by SRTG's, local trade shows and trade shows in the U.S. continue to be an excellent opportunity for U.S. exporters to contact potential Guatemalan importers. There is still a lot to do in regards to consumer awareness and market promotion for imported organic products.



### **Other sources of information:**

Leonel Humberto De León

Director

Organic Agriculture Division / Vice-Ministry of Food Safety and Regulations

Ministry of Agriculture, Livestock and Food

Phone: (502) 2413-7000

E-mail: [agriculturaorganica.maga@gmail.com](mailto:agriculturaorganica.maga@gmail.com)

Alexander Pineda

Director

Oficina Guatemalteca de Acreditación (OGA)

Ministry of Economy

Phone: (502) 2247-2600

E-mail: [ppineda@oga.org.gt](mailto:ppineda@oga.org.gt)

Noé Rivera

General Manager

Mayacert, S.A.

Phone: (502) 2463-333

E-mail: [noe.rivera@mayacert.com](mailto:noe.rivera@mayacert.com)

**Local companies doing business with organic products:**

Fresko Guatemala: <http://www.fresko.com.gt>

Organica Guatemala: <http://www.organicastore.com>

Natura Foods Market: <http://naturafoodsmarket.com>

Caoba Farms: <http://caobafarms.blogspot.com>

**Post Information:**

U.S. Embassy

Office of Agricultural Affairs

Avenida Reforma 7-01, Zona 10

Guatemala, Guatemala

Phone: (502) 2326-4300, 2322-4030, 2434-8439

Fax: (502) 2331-8293

E-mail: [AgGuatemala@fas.usda.gov](mailto:AgGuatemala@fas.usda.gov)

Facebook: <https://www.facebook.com/usdaguatemala>